

RADIO STATIONS PURCHASE AGREEMENT

This RADIO STATION PURCHASE AGREEMENT is made and entered by HIGH PLAINS RADIO NETWORK, LLC, a Texas limited liability company ("Buyer"), and Pilgrim Communications, Inc., a Indiana corporation ("Seller").

RECITALS

WHEREAS, Seller is the sole licensee, proprietor and operator of the commercial radio station identified as KSKE AM in Buena Vista, Colorado;

WHEREAS, Seller is the owner or lessee of all tangible and intangible personal property used in connection with the operation of the Station (the "Radio Assets"); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, substantially all of the Station Assets, all subject to the terms and conditions set forth herein for a purchase price of thirty five (\$35,000) thousand dollars; and

NOW, THEREFORE, in consideration of their respective agreements and covenants herein, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree:

1. Purchase and Sale of Radio Assets.

On the terms and conditions of this Agreement, at Closing Seller shall sell, assign, transfer, convey and deliver to Buyer the entire right, title and interest of Seller in, to and under the Radio Assets.

(A) The Radio Assets shall include all personal property, rights, contracts utilized in the 'Ordinary Course of Business' (*i.e.*, the ordinary course of the Stations' business consistent with past practices). The Radio Assets shall specifically:

- (1) include the personal property, broadcast tower, equipment building, rights, broadcast contracts, broadcast equipment, site leases and all associated FCC broadcast licenses; and
- (2) include all governmental licenses which include any franchises, approval, certificates, authorizations, permits, rights and applications used in the Ordinary Course of Business of the Radio Stations.

2. Pre-Closing Covenants.

The parties agree to comply with the following covenants until Closing.

- (A) Buyer, with Seller's reasonable assistance, shall prepare and file the FCC Application in accordance with Section 5.
- (B) Buyer, with Seller's reasonable assistance, shall obtain all approvals, consents or authorizations (excluding the FCC Application) necessary to assign all Licenses (other than the FCC radio-frequency licenses) to Buyer.
- (C) Without Buyer's written consent, Seller shall not surrender or voluntarily modify any License, shall not permit any License to expire, shall not take any action (or fail to take any action) that could result in suspension, revocation or limitation of rights under any License; and shall prosecute with due diligence any pending applications concerning any License.
- (D) Without Buyer's written consent, Seller shall not cause any Radio Station to take any action outside the Ordinary Course of Business.
- (E) Without Buyer's written consent, Seller shall not negotiate or agree to transfer ("Transfer", including sales, assignments, conveyances, pledges, encumbrances, liens or any other transfer) any Radio Assets.
- (F) Without Buyer's written consent, Seller shall not permit the Transfer of any of Seller's capital stock or other equity interests.

- (G) Without the other party's approval, a party shall not disclose any confidential information about the other party except as necessary for the FCC Application, obtaining the License transfer authorizations and obtaining the Transfer Consents.

3. Preparation of Schedules.

The parties agree that the Schedules to this Agreement (the "Schedules") shall be prepared after the Contract Date (*see below*) by Seller during the operation of the Stations:

- (A) Seller shall deliver draft Schedules to Buyer within 10 days after the Contract Date.
- (B) Buyer shall have 10 days to propose any modifications to the Schedules.
- (C) Buyer and Seller shall then negotiate in good faith to jointly approve all Schedules.
- (D) Buyer and Seller shall inform the other about any subsequent material changes in the Radio Assets and the corresponding amendments to the Schedules.
- (E) Seller shall deliver the most recent and agreed to by both parties, Schedules at the time of Closing.

4. Obtaining 3rd Party Consents.

- (A) Until all Transfer Consents are obtained, Seller shall take all necessary action to enable Buyer to obtain the benefits of the Radio Assets.
- (B) If any Radio Assets are leased by Seller then Seller shall consent to Buyer's use of such leased Radio Assets. To the extent permitted by such leases, Seller shall assign its rights under those leases to Buyer.

5. FCC Approval.

Buyer and Seller acknowledge that the Federal Communications Commission ("FCC") must consent to the assignment of the Radio Stations' radio-frequency licenses from Seller to Buyer.

- (A) Buyer shall prepare the application to obtain the FCC's consent to the assignment of the Radio Stations' radio frequency licenses from Seller to Buyer ("FCC Application"). Seller shall provide all reasonable assistance requested by Buyer in connection with the FCC Application.
- (B) Buyer shall file the FCC Application with the FCC within thirty days following execution of this Agreement.
- (C) Buyer and Seller shall diligently prosecute the FCC Applications. Seller shall provide any assistance or cooperation requested by Buyer for obtaining approval of the FCC Application.

6. Closing. After receiving approval of the FCC Applications as well as all License transfer authorizations and Transfer Consents that Buyer deems necessary for Closing, Buyer shall give Seller a Closing Notice accompanied by the most recent Schedules.

- (A) The Closing shall occur on the last business day of the month in which the conditions set forth have been satisfied or waived (the "Closing Date"). The closing of the purchase and sale provided for in this Agreement (herein referred to as the "Closing") shall take place at a place mutually agreed to in writing by the parties
- (B) At the Closing, Seller shall transfer to Buyer, all of Seller's right, title and interest of Seller in, to and under the Radio Assets, free and clear of all liens. Seller shall execute and deliver:
 - (1) all documents requested by Buyer to evidence transfer of the Radio Assets;
 - (2) certificates containing seller representations and warranties customary for the sale of a business, *however*, such certificates shall be appropriately limited to reflect Buyer's operation of the Stations; and

(3) all other documents reasonably requested by Buyer that are customary for the sale of a business.

(C) At the Closing, Buyer shall deliver to Seller:

(1) all documents requested by Seller to evidence Buyer's assumption of any contract, liabilities and obligations contained in the Radio Assets; and

(2) all documents reasonably requested by Seller that are customary for the sale of a business; and

(3) funds in the amount of thirty five thousand dollars (\$35,000.00) plus or minus any final adjustments as detailed in item D.

(D) At the Closing, the parties shall make appropriate pro-rations for all taxes, fees, expenses and other costs relating to the Radio Assets and customary for the sale of a business. The parties agree that the FCC filings fees will be equally shared by both parties and the parties shall pay their pro-rated share of such amounts.

Each party will execute such additional documents and take such other actions requested by another party in order to effectuate the transfer of the Radio Assets from Seller to Buyer.

7. Force Majeure. Except as herein provided to the contrary, neither Buyer nor Seller shall have any rights against the other Party hereto for failure or delay in the performance of a required obligation if such failure or delay is caused by an act of God; inevitable accident; fire; lockout; flood; tornado; hurricane; strike or other labor dispute; riot or civil commotion; earthquake; war; act of government or governmental instrumentality (whether federal, state or local); failure of performance by a common carrier; failure in whole or in part of technical facilities; or other cause (financial inability excepted) beyond such Party's reasonable control. Prompt written notice within thirty (30) days of such event shall be provided.

8. Fees and Costs. Each party shall be solely responsible for its own attorney's fees, brokers fees and costs in connection with the matter herein, as detailed in 13.

9. Assignment. Buyer may assign its rights under this Agreement to another entity.

10. Notices. All notices, requests, consents, approvals, demands, notifications and other communications provided for hereunder (collectively "Notices") shall be in writing. All Notices shall be deemed given or made when timely deposited in the mail, first class postage prepaid, addressed to the Parties at the addresses following their signatures with return receipt required. A Party may change its address for notices by a notice complying with this Section.

11. Construction and Interpretation. Terms used in this Agreement should be interpreted according to their fair meaning consistent with this Section.

(A) If an ambiguity or question of intent or interpretation arises then no party shall bear any presumption or burden of proof due to authorship of any provision herein because the parties jointly negotiated and drafted this Agreement.

(B) The obligations of Buyer and Seller under this Agreement are subject to all applicable federal, state and local laws, rules and regulations (including the federal Communications Act of 1934, as the same may be amended from time to time, and the rules and regulations of the FCC promulgated thereunder).

(C) This Agreement and all matters or issues collateral thereto shall be construed in accordance with the domestic laws of the State of Colorado, without applying conflict of laws principles.

(D) Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural and the words of the plural may be construed as denoting the singular as is appropriate.

(E) The terms "include" and "including" mean 'including without limitation'.

- (F) The term "any" includes 'any', 'if any', 'all', 'any or all' or 'any and all', as the context requires.
- (G) The term "laws" include constitutions, statutes, rules, regulations, codes, injunctions, judgments, orders, decrees, rulings, restrictions and charges.
- (1) Unless expressly limited in a particular provision, the term "laws" includes federal, state and local laws.
- (2) A reference to a specific statute also refers to regulations relating to that statute.
- (3) A reference to a specific law refers to that law as revised or amended at the time that law is being applied.
- (H) The term "person" includes any individual, partnership, corporation, association, joint stock company, limited liability company, limited partnership, trust, retirement entity, government or other entity, whether foreign or domestic.
- (I) If a date for a party's performance is a day on which national banks are not open for business in Colorado then such performance shall occur on the next weekday when national banks are open for business in Colorado.
- (J) References to a 'Section', 'subsection', 'Article', 'Exhibit', 'Appendix' or 'Schedule' shall constitute cross-references within this Agreement unless the reference also expressly cites another document.
- (K) The provisions of this Agreement are severable and separate, so if any particular provision is ruled to be illegal, invalid or unenforceable, the remaining provisions shall be severed therefrom and shall remain in full force and effect.
- (L) This Agreement shall be construed neither to place the Parties in the relationship of partners or joint venture's nor to constitute any Party the agent of any other Party. Except as specifically provided for herein, neither Party shall have the power to obligate or bind the other Party in any manner whatsoever
- (M) This Agreement shall be binding upon and inure to the benefits of Buyer, Seller, their respective successors and permitted assigns but shall not confer any rights or remedies upon any other person except as expressly granted herein.
- (N) A waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.
- (O) The rights and remedies of a party herein provided are cumulative and are not exclusive of any right or remedies which it may otherwise have.
- (P) No provision of this Agreement shall be altered, amended, revoked or waived, except by an instrument in writing signed by all parties.
- (Q) This Agreement may be executed in one or more counterparts. All counterparts collectively shall constitute a single instrument, while each such counterpart shall be considered an original.
- (R) A facsimile signature on any document executed in connection with the Company shall constitute an original signature.

The Section titles are stated only for convenience and shall not control or affect the interpretation or construction of any provision of this Agreement.

12. Escrow. There is no Escrow agreement in this transaction and no agreement associated with this transaction.

13. Broker. There is no Broker in this transaction and no fees will be paid in this transaction.

14. Accounts Receivables. There are no Accounts Receivables in this transaction.

15. Remedies. Notwithstanding anything to the contrary herein contained, it is agreed that the rights and privileges granted to Buyer in this Agreement are special and unique and that the Buyer shall be entitled to seek specific performance, in a court of competent jurisdiction, and if such relief is granted, the Buyer shall be entitled to recover from the Seller all costs and expenses (including reasonable attorneys' fees) incurred in securing such relief, said remedy to be Buyer's sole and exclusive remedy.

16. Termination. This Agreement may be terminated at any time prior to the Closing Date, as follows:

(A) By the mutual consent of Seller and Buyer; or

(B) If the Transfer has not occurred within one year of execution of this Agreement.

(C) In the event of any termination, this Agreement shall thereupon become void and of no effect, provided, however, that nothing in this Section shall be deemed to release any party from liability for any breach by such party of the terms and provisions of this Agreement or impair the right of the Buyer to compel specific performance of Seller of its obligations under this Agreement.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to the choice of law rules utilized in that jurisdiction, and the obligations of the parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted and any legal action with respect hereto shall be brought in the state or federal court in Colorado.

18. Entire Agreement. This Agreement set forth the entire understanding and agreement of Buyer and Seller concerning the purchase and sale of the Stations. This Agreement supersedes all prior understandings, agreements or representations by or between the parties, whether written or oral. The parties hereby release & discharge all liabilities with respect to prior discussions, negotiations and commitments.

Signature Page to Follow:

Seller: Pilgrim Communications, Inc.

Signature: _____

Date: _____

Randy Hood

Position: _____

Mailing Address: _____

Phone #: _____

Email Address: _____

Notary:

Buyer: High Plains Radio Network, LLC

Signature: _____

Date: _____

Monte L. Spearman,

President

3218 Quincy St. / PO Box 1478

Plainview, TX 79072

Cell #: (806) 777-8542

Email: monte@hprnetwork.com

Notary:

Schedule 1: The Radio Assets

- A. Equipment & other Assets: List Attached (file #1)
- B. Broadcast Rights & Broadcast Contracts: List Attached (file #2)

Schedule 2: The Excluded Assets
NONE

Schedule 3: The Included Liabilities
NONE

Schedule 4: The FCC Licenses

Schedule 5: Tower Site Lease

Schedule 6: Tower Space Tenant Lease